

Rick Hays, chair-elect St. Peter's Hospital, Helena
SB 312 – Economic Credentialing
House Business & Labor Committee – March 23, 2007

I'm here on behalf of the board of directors of St. Peter's Hospital, the community, not-for-profit hospital in Helena where I'm presently the chair-elect of that board.

We oppose this bill dealing with economic credentialing because we feel it will eliminate one of the major responsibilities of the boards of hospitals such as ours which is ensuring the financial viability of our healthcare institution.

Economic credentialing boils down to a simple matter of monitoring conflicts of interests between physicians at community hospitals such as St. Peter's and competing healthcare facilities or institutions.

It's not fair for physicians to be literally guaranteed credentials at a community hospital while at the same time having an ownership position in a competing facility. Such potential conflicts of interest must be a consideration of a hospital's board of directors when granting credentials.

Consideration of such a conflict of interest is commonplace in all other businesses and --- even here in this legislative body.

As a board member of St. Peter's Hospital, I am required to annually sign a disclosure of any financial, contractual, personal or other relationships I have with the institution. Such disclosure made sense to me since I was accustomed to even more stringent conflict of interest policies in my business experiences the past 30+ years. Similar consideration by the physicians seems to be a reasonable expectation to insure all parties of the healthcare community are aware of such arrangements.

Another problem with this bill for St. Peter's is that it arises in the midst of our discussions with our medical leadership to resolve this issue satisfactorily. We've had a number of discussions with the medical leadership the past 8 months and even formed a special Joint-Conference Committee of board and medical leadership to address this issue specifically.

In addition to many informal discussions, the committee has met twice, as recently as January, to continue the discussion on this important issue to patients, the doctors, the community and our hospital. Additional meetings and discussion are expected in the coming months.

This process is working and SB 312 will only disrupt what efforts we have undertaken to date.

For these reasons I ask you to reject SB 312.

Rick Hays